

# Vacant houses in Denmark

*Problems, localization and initiatives*

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# Vacant houses in Denmark: Problems, localization and initiatives

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**Abstract**

*Vacant houses have become an international phenomenon, which in many countries has called for political intervention. However, housing vacancy is very differently distributed across housing types and regions, and the degree to which the vacancy is defined as a problem varies across countries, therefore the issue has called for various political responses. This paper presents a case of vacant single-family houses in Denmark, which has become a central political issue in recent years. The vacancy is closely related to an increasing urbanization, and a changing demography in peripheral areas, especially in smaller towns and villages. Since 2010 various national programs for addressing this issue was launched. The paper discuss how municipalities within these programs address strategical and operational issues, including identification of vacant houses, negotiations with owners, financing the demolition and the subsequent use of the plot. From this, central challenges for managing vacancy in a more strategic way are identified.*

Key words: Vacant housing, shrinking cities, strategic planning

## Introduction

As vacancy rates amongst the existing building stock is rising in many countries, the management of vacant properties represents a new challenge for planners, as one of many disciplines to be managed under the planning of "shrinking cities". Shrinking cities have been identified as a global phenomenon, leading to vacant housing as one result – and a lack of housing and affordable homes in the growing cities. The reasons for shrinkage can, however, be many and varied; Industrial changes, urbanisation, changes in demography and fertility rates, a mismatch between building supply and demand etc. But whereas the research in shrinking cities has been growing recent years, the research in housing vacancy, the policy responses to manage this, and understanding the benefits and shortcomings of the efforts have has lees attention. As Couch & Cocks (2013) argues: "*…there remains a lack of substantial literature addressing the relationship between population loss, housing vacancy and policy responses*" (Couch & Cocks, 2013).

Housing vacancy is often seen as a problem by the surrounding community, as vacant and derelict buildings have various negative impacts– in relation to property values (Han, 2014; Huuhka, 2016), to neighborhood decline, vandalism, dereliction and deterioration, social and environmental problems (Huuhka, 2016). Moreover, vacant houses are seen as a waste of housing resources (Han, 2014). The problem is

widespread in Europe, where there are 11 million empty homes empty (Bogataj et al, 2016), but with large ariations in vacancy rates, e.g. 2-7% in Northwest England, 34% in southern Italy, and 50% in eastern Germany (Schetke & Haase, 2008).
Also, there are various national and local policy responses to the problem; in principle, solutions to property vacancy can range from consolidation, renewal, demolition or change of function (Remøy & van der Voordt, 2014), but many programs and policies focus mainly on removal of the empty houses. In Germany, the seven year program "Stadtumbau Ost" which was one of the first European schemes to address the problem on a larger scale, primarily focused on removing surplus housing in social housing departments, located in the cities, resulting in more than 220.000 housing units being removed (Berndt, 2009; Martinez-Fernandez et al, 2016). This program has been criticized for primarily funding demolition of vacant houses, but with limited focus on provision of green spaces, social infrastructures, age-related issues, local shopping, public transportation etc. (Bernt, 2009). Other critical voices support this viewpoint, e.g. Hacksworth (2016) who argues that cities that have used demolition as urban policies in the US have not managed to improve their housing marked. Yin & Silverman (2015) finds little evidence that demolition of vacant houses influences local housing prices in a positive way, and suggests that there should be more focus on controlling the number of vacant properties. This indicates that housing demolition is not sufficient as a "stand-alone housing policy", but should be supported by other policies (Hacksworth, 2016); more integrated and strategic approaches should be defined to manage de-growth and vacant housing.

An axample on a more integrated approach is the Housing Market Renewal (HMR) programme that was operating in North and Midlands of England between 2002 and 2011. It focused on a mix of interventions including demolition, renewal and new buildings, and on bringing vacant buildings "back on the market". The program included a number of different initiatives, including Empty Homes Officers appointed to identify vacant houses in many councils, development of an online Empty Homes Toolkit, Preparation of Action Plans and Empty Homes Strategies in local areas, grants and tax incentives, as well as schemes for involving groups of local people in renovating and bringing empty homes back into use as affordable rented housing. There have been quite good experiences with this program; out of the 300,000 long term empty homes in England app. 100.000 long term empty homes have been brought back on the market again through since 2010, and 32.000 dwellings have been removed (Leather et al, 2012).

Although integrated programs for managing vacant housing seems obvious to implement, there are various challenges why this is not taking place on a larger scale, which relates to general challenges planning of shrinking cities.

**Strategic planning in shrinking cities**

Against the emergence of policy responses to housing vacancy, there is, amongst the literature on shrinking cities, a call for planning tools to be used for shrinking cities. Hollander et al (2009) stated already some years ago that shrinking cities is a world-

wide phenomenon that planners are only beginning to find ways to respond to, and that the we know little about how existing planning tools used in growing communities can be adapted to be used in a shrinking environment (Hollander et al.,2009). Pallagst (2007) argues for a "paradigm shift" when it comes to planning for shrinking cities, and claims that shrinking cities has been widely underrepresented in international research where research and practice in planning tends to be based on a growth agenda (Pallagst, 2010). In a similar way Sousa & Pinho (2015) states that existing planning policies and tools to be used in shrinking regions, were developed in another context (Sousa & Pinho, 2015, p. 22). Typically, "shrinking" is seen as an urban aspect, as various definitions shows, according to (Bontje & Musterd, 2012): "*..shrinking city usually describes a densely populated urban area…*" or "*..A functional urban area with a minimum population of 5.000 residents…*" (Hollander et al, 2009). Although peripheral regions with sparse population categories is acknowledged as being a part of the shrinking cities phenomenon (Wiechmann, 2003), and studies of smaller towns shrinkage are found (e.g. Luescher & Shetty, 2013) the field is still dominated by larger cities and regions, especially based on studies from the Rust Belt (US) and larger cities in former Eastern Germany.

There are several specific challenges related to planning in shrinking regions; one is to change the mind-set of politician (and planners) from working with a growth-agenda towards working from a de-growth perspective (Pallagst, 2010; Sousa & Pinho, 2015; Hospers, 2015). Another is how to move from local to regional strategies, being necessary as shrinking cities are in competition with nearby cities, towns and villages (Hospers, 2015). Hospers (2015) also mention "the move from power to empowerment" as a challenge, i.e. mobilizing the civil society in order to compensate from sinking public sector spending.

Based on experiences from other research projects (Jensen et al, 2014) and from literature on planning in de-growth areas (Meijer & Syssner, 2017) we argue that strategic planning in shrinking regions have certain challenges: Firstly, market often over-rules planning; although municipalities might strategically plan for e.g. settlement in certain parts of the municipality, market forces might show preferences for other locations. Secondly, local conditions for planning are less stable and more unpredictable. One company leaving the city might have large effects for employment, settlement, tax revenues etc.; one or two families moving their children from the local school might cause other families to do the same, which eventually might lead to a closing of the school (Jensen et al, 2014). Social capital and dynamic in smaller communities is often fragile, making a long-term collaboration uncertain. Thirdly, resources for planning in depopulated areas are scarce, and planning costs are higher (Meijer & Syssner, 2017). These challenges might lead to a vacuum in planning in areas of de-growth, which instead opens the door for bottom-based planning from local agents, which however has a more ad-hoc character (Meijer & Syssner, 2017).

**Practical approaches to strategic planning**

Strategic planning can be seen, on one had as a contrast to the "project planning" approach, which has dominated urban development and regeneration in recent years, and on the other hand a rejection of the "masterplanning –approach" that dominated urban development in the 1980ies (Albrects, 2004; Kühn & Liebmann, 2007). There is no clear definition on strategic planning, but typical characteristics about strategic approaches include elements such as cross-sectoral approach (e.g. social, environmental, economic elements), public-private-collaborations, and strategic visions based on the views of the collaborating partners (Kühn & Liebmann, 2007). Strategic planning can be said to build bridge between the two approaches, i.e. the use of long-term visions from the masterplan-approach, and the step-by-step approach from the project planning (Kühn & Liebmann, 2007). Practical approaches to strategic planning include on one hand a management-approach with a quantitative focus on identifying the problem, setting goals, allocating resources, monitoring progress, measuring input and output etc., and on the other hand a learning approach, with more focus on processes, institutional design and mobilization of actors (Sehested, 2009). In relation to the possible strategic approach to vacant housing management, a number of issues would be relevant to include, e.g.:

- Creation of synergy between the local level and the overall-level in the municipal development; coupling long-term vision for the areas with small steps generated by funds and pools
- A goal- and output-oriented effort, and a strategic plan on how to move to the visions from the present state, which resources are allocated, monitoring of the results generated by the efforts etc.
- Mobilisation of local stakeholders, municipal actors, and external partners, and development of methods on how to collaborate; using new planning methods aiming to create new local partnerships, shared agendas and visions.
- Creating local ownership to the goals and visions, so that the pools enable voluntary engagement and ownership
- Visibility from the pools and funding, to motivate local stakeholders for local actions

How these issues are practically managed by the local planning authorities, i.e. the municipalities, is however an open question; a number of different factors affect this, e.g. the practical framework of the national funding, the presence and type of problems related to vacancy, the local political and administrative culture, including political prioritization, administrative resources and competences, capability for collaboration with external partners (local partners, private companies, other official bodies etc.).

## Shrinking and vacancy in a Danish context

Although Denmark does not suffer from severe de-industrialization (as in countries as Germany, UK and France), nor having large and remote regions (as in Norway and Sweden), drastically falling fertility rates, or any other specific conditions that should imply shrinkage, and therefore is not typically considered as a country with large

problems related to abandoned and vacant housing problems. The overall housing vacancy rate on 5,5%, which is not alarming on an overall scale. Nevertheless, in the recent decade the urbanization has led to an increasing de-population of village and towns in areas far from the larger cities, in combination with changing demographic profiles

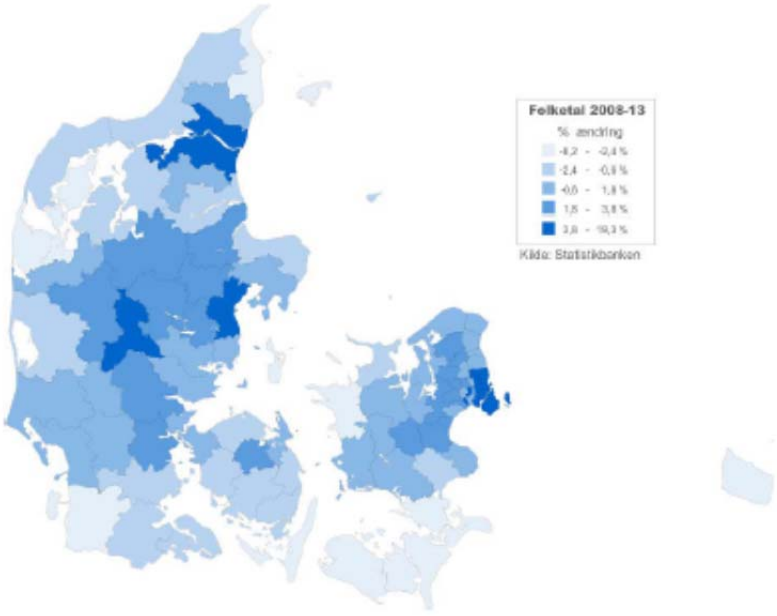


Figure 1. Population development in Danish municipalities 2008-2013. Source: Larsen et al, 2014.

In the period 1995-2013 there has been an increase in shrinking municipalities; from representing one fifth, the number of municipalities with a reduction of inhabitants now is close to half of all municipalities. In a Danish context the main reasons for vacant housing is urbanisation and immigration to the larger cities (especially amongst younger people), job losses, change in the agricultural sector, and a centralisation of public functions (schools, universities, hospitals, public administration, courts, military institutions etc.), causing public jobs to move to the larger cities and a lower level or service in the shrinking towns and villages. This centralisation has been critically debated, and can be seen in relation to the municipal reform that was established in 2007, where the number of municipalities was reduced from 273 to 98, leading to a centralisation of the public administration, and subsequently of the public welfare-services in the municipalities. As a consequence of the depopulation, many municipalities hold a large number of empty or outdated buildings. The debate and policy intervention has primarily concerned the vacancy amongst single-family houses, although this is not the largest group of vacant dwellings, nor the one with the largest vacancy rate on a national scale. However, in municipalities far from the larger cities, vacancy rates are typically above 10%, and in some areas as high as 25-30%, and these buildings are mainly single-family houses.

| **No. of dwellings** | Occupied | Vacant | Total | % vacancy |
|---|---|---|---|---|
| Single family houses | 1.163.656 | 55.862 | 1.219.518 | 4,6% |
| Row- and double houses | 396.618 | 19.540 | 416.158 | 4,7% |
| Multi-storey buildings | 1.032.016 | 67.018 | 1.099.034 | 6,1% |
| Dormatories | 33.277 | 5.929 | 39.206 | 15,1% |
| Residential institutions | 4.883 | 0 | 4.883 | 0,0% |
| Other | 10.692 | 4.101 | 14.793 | 27,7% |
| Total | | 152.450 | 2.793.592 | 5,5% |

Table 1. National vacancy rates in different types of housing. Source: Statistics Denmark, 2017.

Whilst the larger cities or towns close to these cities have experienced a stable level of vacancy rates in the period 2000-2015, the towns located longer from the larger cities have has an increase in vacancy from 6 % in 2000 to 9 % in 2015. Also within this category, there are large variations; for the 5% of the perishes with the largest concentration of vacant buildings, the vacancy rate has doubled from app. 13% in 2000 to app. 26% in 2015 (Larsen et al, 2014).

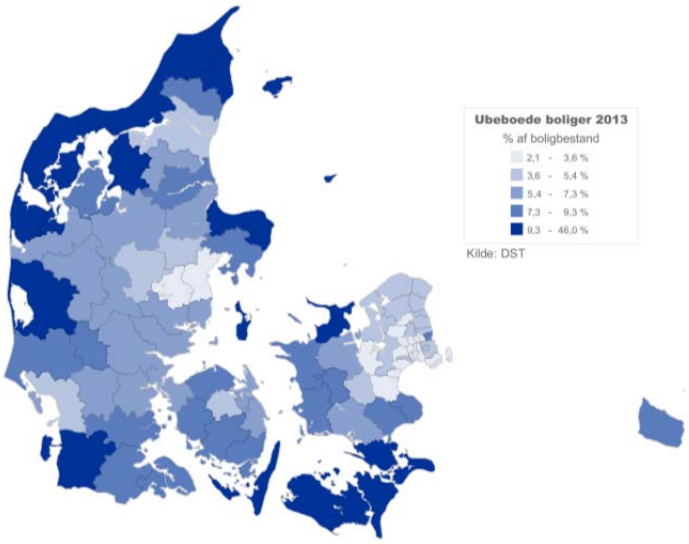


Figure 2. Percentages of vacant homes in Denmark 2013, for the 98 municipalities. Source: Larsen et al, 2014

The number of non-populated homes can only be used as an indicator on the local housing market, and the real, or long-time vacancy. These numbers are based on linking national registers on housing respectively persons: If there is no CPR (personal identity number) attached to a dwelling, it is regarded as vacant. It might however not be all residential buildings that are actually being used for living there all year, and not everybody who lives in a certain building might decide to register them to this address. For instance, many vacant houses might be used as non-official holiday houses.

Therefore, the actual number of derelict buildings that are actually abandoned, and also potentially worthy of demolition, is uncertain; some vacant buildings might be used on and off (e.g. for holidays), some are for sale and others are mistakenly registered as being vacant. Estimates on the number of buildings that there is no market call for, and therefore are potentially ready for demolition has ranged from 10.000 (Gottschalk et al, 2008) to 50,000 (Ministry of Housing and Welfare, 2009) buildings on a national level, based on statistical data. Other estimates suggests around 20.000 houses suited for demolition (Jensen and Blach, 2016), based on municipalities own assessment of the amount, and between 12.000 and 20.000, based on a register-analysis (KORA, 2017).

## National programs for addressing vacant houses

In 2010 the first national program addressing housing vacancy in Denmark was launched (The Effort-Pool), giving 39 municipalities state subsidies on 150 mill DKK (app. 20 mill €) in 2010 and 100 mill DKK in 2011 (app 13 mill €) to specifically addressing surplus vacant housing. Subsequently, the "Village renewal pool" (VR pool) was established in 2013 with the purpose to ensure better opportunities for solving problems with derelict houses and contributing to a "holistic and forward-looking action" (Ministeriet for By, Bolig og Landdistrikter, 2013). This pool gave 400 million DKK (app. 54 mill €) in total, divided in two separate pool for 2014 and 2015. 70 appointed municipalities had the opportunity to use the subsidies from this pool (of which 66 municipalities decided to do so). In addition, a national pool of 55.0 million. Kr. (app. 7,3 mill €) has been allocated for each of the following years 2016, 2017, 2018, 2019 and 2020. For these annual pools, 55 municipalities have been appointed as potential receivers of the subsidies. The VR pool can be used for activities that allow municipalities' access to 60% state support for demolition and renovation of vacant houses, as well as municipal acquisition of leased properties. The distribution of the national pool for each municipality is illustrated in figure 3.

These two pools primarily focus on vacant single-family houses. There are also problems with vacancy in the social housing sector, but to a smaller extent. According to statistics from the National Building Fund, there are app. 1.800 vacant dwellings in the country (per August 2017), corresponding to a vacancy rate on 0,3% (http://ledigeboliger.lbf.dk/#f=2016-8-1&c=0. This has led to demolition and down-scaling of some social housing departments. Compared to the app 20.000 vacant single-family houses, the vacancy amongst social housing is smaller, more concentrated, and less visible. The social housing sector in Denmark has its own financing mechanisms to deal with retrofitting, upgrading and removal of the existing housing stock (the National Building Fund), therefore the public involvement and subsidies to deal with the vacant social housing has been limited. Thus, the VR pool was not intended to include social housing.

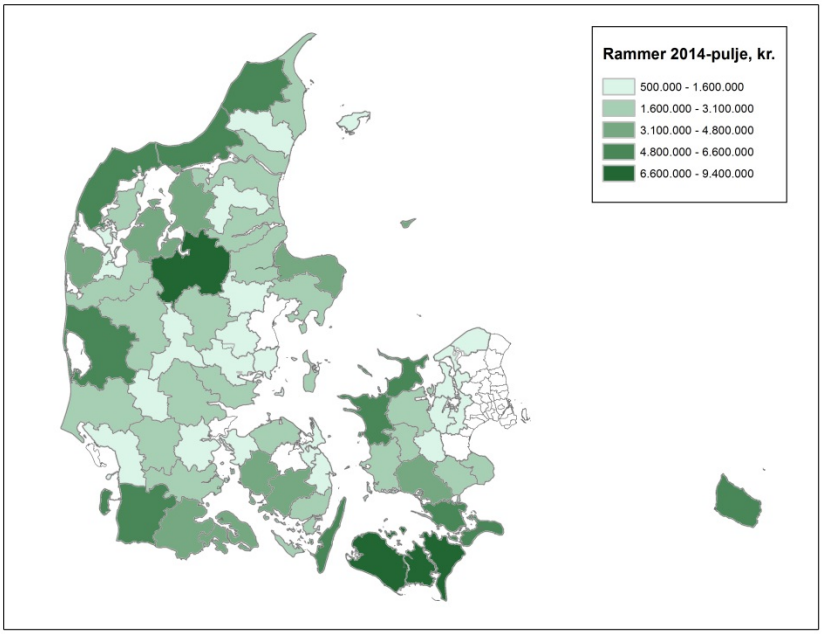


Figure 3. National subsidies for municipalities under the VR pool (the 2014-pool, in DKK. The 2014-pool on 200 mill, DKR corresponds to app.27 mill.€. ).

### Managing vacant houses: A new planning discipline

For many municipalities, managing vacant houses is a new type of practice that needs to be organized. Although various guides and publications have been prepared from various sources, there are a number of practical challenges for the municipalities in relation to using the VR pool and manage vacant houses. This include how to plan and prioritize the task, how to identify buildings for demolition or renovation, how to establish dialogue with the local community and the owners of the buildings, how to complete demolitions in practice, and how to use the blank plots subsequently, after the removal of the buildings. Strategic development issues might include questions on how to combine demolition of buildings with a local development, how to combine it with other types of regeneration efforts, and generally how to view the removal of the abandoned buildings in relation to the general development of the municipality.

## Research question and methodology

The research question of this paper is how to understand the managing of vacant buildings as a new emerging planning practice in in peripheral regions, and the possibilities and limitations of using it in a strategic way. The Danish municipalities' use of the VR pool will be used as a case in understanding the above-mentioned questions.

The primary sources for answering the question are:
a) Analysis of national register data from the VR pool, which shows the status of municipalities using the scheme.
b) Visits and inspection tours in two municipalities. The two municipalities have a relative long history of managing vacant houses, and are amongst the largest receivers of the VR pool. The visits included interviews with the municipalities' project managers and residents in the areas.
c) A survey amongst the 66 municipalities that have chosen to use the pool. The survey is divided into the following themes: Municipal goals and strategies, procedures for using the pool, challenges and barriers, acquisition of properties and effects of the effort. The questionnaire survey was conducted as a web-based survey (Survey Xact). Full answers have been received from 47 municipalities (71% answer rate), and three municipalities have answered the questionnaire in part.

The survey, besides getting a picture of the practices of administrating VR pool, aim to identify the strategic elements and the practices in managing the vacant houses, including the following questions:

- Does the municipality have an explicit strategy for managing vacant houses?
- Is there a geographical prioritization in the use of the VR pool?
- Has there been a mapping or survey of the number and location of vacant houses?
- How does the municipality find and identify the buildings that should be removed (or renovated)?
- Is there a definition of when a building is suited for demolition?
- How does the collaboration with the owners take place?
- What happens to the plots after the demolition of the buildings?

In the following, findings from the survey will be presented.

## State of the situation

Based on the answers from 24 municipalities, who estimated they held 7.100 buildings worthy of demolition, it has been estimated that the total number of buildings suited for demolition in the 66 municipalities with access to the VR-pool, is around 20.000. Uncertainties in this number relate to the limited answer rates from the municipalities (36%), and the lack of mapping and actual knowledge of the amount of derelict buildings in the municipalities. In a similar way, on the basis of answers from 14 municipalities, we estimate that there is an annual growth of buildings suited for demolition on app. 1.800 buildings. Both estimates are lower than earlier register-based estimates on resp. 50.000 buildings suited for demolition, and an annual growth rate on 5.000 buildings. The municipalities estimate that they will remove between 3.000 and 6.000 buildings with the VR-pool.

At the time of the evaluation, 57% of the fund from 2014 had been used; some municipalities had used their entire share, others had not started yet. In total, 1.200 buildings had been included, of which 87% (1.050 buildings) had been removed. In 9% of the cases, buildings were renovated, and the final 3% included other issues, such as scrap and waste removal from buildings etc. Based on the use of the pool so far, it is therefore likely that app. 4.200 buildings will be removed (or renovated) by the pools from 2014 and 2015. On a national level, this is almost enough to remove the growth of 1.800 demolition-suited buildings in a little more than 2 years – but in this time the original stock on app. 20.000 buildings will remain. Therefore, the municipalities need to improve their efforts, if they want to avoid the problems from housing vacancy.

## Examples from two municipalities

### *Morsø municipality*

In Morsø Municipality, holding app, 20.000 inhabitants, located in the North-West part of Denmark, vacancy and decaying buildings has for a long time been a problem. Therefore, the municipality started its own efforts to manage the problem, on a municipal basis, and from a bottom-up approach. In 2005, a citizen group took the initiative to set up the company “Better Housing at Mors”, that established financing of overdue housing by citizens and local businesses. The demolition efforts have been ongoing since then, and have subsequently been co-funded by national programs. There is a strong collaboration between the municipality and the “Better Housing at Mors”, on identifying the derelict properties, taking contact to the owners, managing financial and legal issues, permissions, the demolition process, and the subsequent use of the plot. It is a strength that “Better Housing at Mors” is not regarded as "someone from the municipality" but as representatives of citizens' interests, which makes it easier to convince the owners to accept the municipality's offers in case of demolition or renovation. The collaboration has, according to the municipality, lead to a successful campaign towards housing vacancy. According to statistics, there is a vacancy rate on app. 400 single-family houses in the municipality. The municipality estimates that about 100 properties, half of which are empty, need to be demolished. They estimate that this stock grows with 40-50 properties per year. With the use of the VR pool, 60 properties have been removed (medio 2015). There has not been a total mapping of the derelict houses, as it is a large and time-consuming task, typically needing visual inspections. However, the municipality has a good overview of which empty and inhabited housing they think may be subject for demolition. They do not have a prioritized list of properties they wish to demolish, but takes them from one end, starting with "the lowest hanging fruits". The pool is not advertised, but is widely known in the community, as there has been a lot of local media coverage of the VR pool. Also, local people often contact the “Better Housing in Mors”, if they have a suggestion on a vacant house to be removed. A major ambition with the housing vacancy is to avoid housing speculators, renting decaying homes to vulnerable and resource-poor citizens, which has caused many problems for the municipality. Therefore, the municipality has a pro-active policy towards the problem, as they buy properties that go for compulsory sale, to avoid housing speculators to buy the houses.

*Guldborgsund Municipality*

The Municipality of Guldborgsund, holding 61.000 inhabitants, located in the south-eastern part of Denmark, has also for long time experienced depopulation, job losses and an increase in housing vacancy. As for Morsø Municipality, housing speculation has been a big issue, as it has attracted many "social clients", to the municipality, i.e. people without jobs, on welfare services and with need for social support from the local authority. Therefore, the vacant housing problem has had a large local economic and social impact on the municipality, and therefore initiatives to solve and prevent the problem has had a high priority. The amount of vacant buildings has been estimated through a GIS inquiry in the municipality which indicated a total of approx. 3,000 empty houses. It has been estimated that up to 1,000 houses are in such a poor condition that they should be demolished. From this survey, the municipality contact both owners and mortgagees when they decide to opt for a demolition. Also, the municipality announces funds for demolition and refurbishment on the municipality's website and Facebook page. This means that they receive many inquiries from homeowners who want to demolish or renovate their homes. As in Morsø, the municipality buys properties that go for compulsory sale, to prevent housing speculation. The municipality is working to create a dialogue platform between the municipal administration and local communities. This takes place as an experiment running in three villages; the municipality will allocate a sum of money for the community to be spent locally on demolition and renovation, and the community in turn promises to take care of the subsequent use of the plot. This also includes collaboration with other departments in the municipality.

The experiences from these two municipalities indicate that "classic" strategic efforts such as mapping, prioritization, co-ordination with urban regeneration funds etc. are limited. On the other hand, the initiatives show that collaboration with local actors is vital for the efforts. The survey conducted to all municipalities with access to the VR pool gives a more elaborate picture of these strategic issues, which will be presented in the following.

## Practical and strategical approaches to vacant housing management in Danish municipalities

*Have the municipalities prepared a strategy?*

The survey shows that 68% of the municipalities have prepared a strategy for the management of vacant houses. The elements included in the strategy are shown in table 2 below.

| Elements in the strategy | Distribution |
|---|---|
| Prioritization of properties and problems | 70 % |
| Definition of the types of properties and problems that may receive support from the pool | 66 % |
| Designation of geographical areas to be prioritized | 44 % |
| Co-ordination with other forms of support (eg ordinary urban renewal or area renewal) | 28 % |
| Procedures for applications | 40 % |
| Goal for number of buildings expected to be refurbished (please indicate number) | 6 % |
| Goal for number of homes / empty business buildings expected to demolished (please indicate number) | 18 % |
| Other, please describe | 18 % |
| Don't know | 14 % |

Table 2. Elements in municipalities' strategies for managing vacant buildings (answers from 48 municipalities). Source: Jensen & Blach (2016).

In other questions the municipalities have been asked about their practice in relation to financing, procedures (e.g. identifying buildings for demolition, dialogue with owners etc.), effects from the use of the pool, as well as challenges and barriers.

In the following some of the strategic elements will be presented.

*Prioritisation*

Most of the municipalities indicate that their strategy includes prioritization of properties and problems, as well as a definition of which of these are eligible for support from the pool (see table 1). Priorities are mainly given to homes and properties that constitute a problem for neighbors or the local communities, followed by disgraceful buildings, which give the area a bad impression for visitors. Health-damaging housing is ranked third highest among municipalities, while it is surprising that only 18% indicate housing speculation as the highest priority - seen in relation to the high media attention these speculation homes have. Many of the criteria can overlap, but the visual expression is particularly important for the municipalities

| How does the municipality identify the properties that is being demolished or renovated? | Yes |
|---|---|
| From applications from owners, after calls in local newspapers, websites etc. . | 67 % |
| The municipality encourage owners in certain designated areas to apply | 27 % |
| Excursions in the municipality to localize derelict buildings | 35 % |
| The municipality addresses owners of derelict buildings, based on lists | 40 % |
| Outreach to owners of well-known "problem properties" | 56 % |
| Collaboration with the civil society, who appoints housing with needs for demolition or | 46 % |

| | |
|---|---|
| renovation | |
| Collaboration with local professionals (real-estate agents, craftsmen etc.) | 15 % |

Table 3. How does the municipality identify buildings for removal or renovation? (answers from 48 municipalities). Source: Jensen & Blach (2016).

*Designation of geographical areas*

Just under half of the municipalities (44%) have as part of their strategy identified geographical areas where the VR pool should be used. The areas are predominantly areas where there already is a municipal focus, but also where there are local communities with strong local forces, or where area-based regeneration programs are running - 28% of the municipalities are using the VR pool in combination with other urban renewal initiatives. A reason for the limited area-based focus is the selection based on requests from residents that makes a geographical focus difficult. Another reason is that derelict buildings are spread throughout the municipality and it does not make sense to focus the funds in specific geographic areas. Finally, if focusing geographically, the municipality needs to encourage local owners to take action, which also requires more municipal resources. Several municipalities mention in interviews that they initially go for "the low-hanging fruits", i.e. that there are many empty properties in the municipality ready tear down.

*Objectives for use of the VR pool*

There are relatively few municipalities who actually define goals for how many buildings they will either demolish or renovate with the use of the VR pool (18% and 6%). This can be seen in relation to the limited mapping of derelict buildings – if there is no mapping, it is difficult to set targets. Interviews with a number of municipalities indicate that systematic mapping of the vacant and derelict buildings rarely takes place, and the methods being used are rather varied. Most municipalities uses combinations of register-based mapping, visual inspections, feed-backs and suggestions from local communities and organizations, requests from building owners, and reports from social welfare workers who visit residents in their homes. Municipalities who have a longer experience with managing vacant buildings seem to have a good idea about the amount and types of demolition-worthy buildings, through a combination of the above-mentioned methods.

*Financing*

The municipalities who use the VR pool have to finance 40% of the costs. Most municipalities (77%) finance their share from the existing budget, whereas relatively few take up loans to finance their share. There is a limited use of private finances in the demolitions, which compared to other urban renewal programs in Denmark, where private co-investment has been a central element over the last decades, is striking. There are some exceptions, for instance in Morsø Municipality, where the municipality offers grant on 1.500 € if the owner demolish the property himself, and where 100% financing

is only used in some cases. Their experience is that this relatively small amount of subsidies often is enough to motive the owner to carry out the demolition, and finance the remaining amount.

*Use of plots after the demolition*
Another challenge is the use the plot after the demolition of the building. Typically, it is the municipality that buys the building and the site, and therefore has to find new purposes for it. Usually, the land is put up for sale, used for parking spaces, handed for free over to neighbors, or converted to green and recreational area. Some municipalities involve local actors (local associations, citizens, landowners etc.) in the transformation, to get ideas for the transformation, and possibly leave the operation and maintenance to them. The questions is how the building structure in villages and towns will look like in the long run, when even more buildings have been demolished – and whether this spurs considerations of how to plan the future structure of the villages. Such questions are, however, rarely discussed, assumedly because the tools for such a planning does not exist, and because the practical operation of the vacancy housing management takes up much attention, and leaves less resources for the strategic thinking.

## Analysis: Strategic approaches to vacant houses

*Barriers for a strategic approach*
The survey and interviews indicates that the strategic approaches to managing vacant housing have some shortcomings, including:

- Limited geographical focus
- Limited synergy from other types of urban regeneration funding
- Limited mapping of vacant and derelict buildings, limited setting of goals for the efforts with the VR pool
- Removal and renovation mainly based on contacts from owners
- Limited use of private co-financing

This means, that there is a risk that the removal of vacant buildings is not geographically focused, there is limited synergy with other regeneration efforts, and that the efforts become less visible and rather expensive. There are exceptions, but mainly amongst the more experienced municipalities, and the large picture is that the efforts so far are relatively scattered, isolated and step-wise. This is to some extent related to the barriers for planning in depopulated areas, as identified by Meijer& Syssner (2017). The survey and case-studies identifies a various reasons for this:

Limited funding: The national pools for managing vacant houses are limited in time, and the municipalities who have been appointed to use the pool has been shifting, from

the first national pools in 2010-2011, over the VR pools in 2014 and 2015, to the gradually smaller pools running from 2016-2020. Also the criteria for using the funding and degrees of national subsidies have changed over time. All in all this has created some uncertainty about the long-term financing of the demolition or renovation of vacant housing. Moreover, many municipalities find the pool heavy to manage and administer in several ways, including complicated administrative reporting demands.

Time-pressure: Demolition is a very time-consuming process. This include the out-reach to citizens and difficulties getting in touch with owner of derelict buildings. Next, negotiations with the owner, getting permissions to demolish the building, tendering the demolition job, monitoring it, handing over the cleared plot etc. takes time Parallel, there is a pressure for using the VR pool in due time. As many municipalities also have a scattered organization regarding vacant houses, often with one or two person allocated, the double pressure can be very stressful.

No national facilitation: The facilitation from national level has been limited, compared to for instance the policies in UK, where various support on national level has been provided for local efforts. In the Danish context, this is left to the municipalities to take care of. As demolition in itself, e.g. the negotiations with owners, getting the right permits, managing the demolition process etc., is a highly time-consuming process, and as the municipalities typically have a tight budget limitation, the administration of the pools might not be highly prioritized, and therefore strategic planning, including mapping of the vacant buildings, coordination with other regeneration efforts etc. might be neglected.

A new discipline: The management of vacant houses is a relatively new discipline for most municipalities, therefore it takes time to establish the necessary knowledge and competences in the municipalities, to get the administration and organization in place, establish the coordination to other units in the municipality (regarding planning, urban regeneration, social services etc.). As the national funding is based on temporary pools, this also might limit the motivation for making vacant housing management a more integrated part of the municipal administration. However, in some municipalities, who have large problems with vacant housing, and see the problem as a part of their housing and planning strategy, or for other reasons have reacted on the problem in an early stage, the efforts have been going on for several years. The relatively new discipline of managing vacant houses on a local scale also means, that the list of vacant buildings to take care of is long, and the present attitude in several municipalities is “lets’ get going, the strategic discussions can come later”.

Lack of resources and competences: Managing vacant housing efficiently does imply many specialist tasks (regarding financing, regulation, facilitating and negotiating with different actors etc.). In many municipalities, especially the economically challenged,

there is a lack of knowledge on the field of regeneration of the built environment, and the resources are scattered; many planners are managing the area on their own, and the degree of collaboration with other departments is varied, and therefore the professional environment regarding demolition, and the various disciplines included, become very small. As Keller Easterling states, methods for demolition, implosion, shrinkage etc. are not essential skills in architects training where building construction and design of new buildings and cities dominates the education institutions (Easterling, 2014). This is somehow a paradox, as "subtraction" of buildings in a historical perspective has been the precondition for establishing new building structures (Easterling, 2014). Easterling argues that "subtraction" of buildings should be seen as a part of cultivating a building stock, and that we therefore should be less squeamish towards demolition.

### *Local collaboration on vacant houses*

On the positive side, in relation to strategic approaches, the efforts seem to spur collaboration between the municipality and the civil society, and encourage bottom-up actions as well as local collaboration. About half of the municipalities (44%) states in the survey that they have collaboration with the civil society in identifying properties that should be managed (demolition or renovation). One example is the "Better Housing organisation" in Morsø Municipality, who since 2005 has been working in close collaboration with the municipality of identifying vacant houses, having dialogue with owners, finding finance to demolish the buildings, taking care of administrative procedures etc. Another example is the initiative "Vestervig Regeneration", established by app 100 citizens in Vestervig (a village in Thisted Municipality) who in total invested 25.000€ as well as voluntary work, to manage the vacant building in the village, for either demolition of re-use for other purposes (Larsen et al, 2014).

These local initiatives are in line with observations from Meijer& Syssner (2017) who claim that the lack of strategic planning by the local authorities opens for a higher degree of bottom-based initiatives (Meijer& Syssner, 2017). The need to engage with the civil society in managing shrinking cities is crucial (Hospers, 2014), and funding for managing vacant housing on a local scale can be seen as a way to support local action.

In spite of the municipalities' limited strategic approach to managing vacant houses, there is a very positive judgement of the VR pool amongst the municipalities, and the results that they bring to the municipalities and local communities. A large majority of the municipalities agrees that the efforts create a more attractive community for the current residents, that it makes the municipality more attractive to its residents, and improves the municipality's image. Also, municipalities believe that demolition of worn-out buildings has a positive impact on the prices of the surrounding properties, that the effort creates local employment, that it presents housing speculation and that it generally create a better housing stock in their municipality. These positive statements are not surprising, although they have not been factually tested.  It should not be

forgotten, that before the national funding pools were established, several municipalities and local communities had started initiatives on their own to identify vacant houses, and to establish local financing possibilities to buy and demolish the un-used buildings.

*How can the municipalities improve their strategic efforts?*

The way to the municipalities could improve their strategic efforts on managing vacant houses and the VR pool could include elements from a "management"-approach as well as a "process"-approach (Sehested, 2009). The "management" approach could include a wider use of mapping, prioritizing, setting goals, allocating the necessary resources for reaching the goals etc. A more process-oriented approach should focus on mobilizing local actors, establishing partnerships with other municipal departments, creating shared visions etc. It is obvious that the management-based approach has been under-prioritised by the municipalities, often argued by the large transactions costs (mapping, policy and goal formulation, monitoring, verification etc.). The benefits of not pursuing this approach are that the resources can be used for direct implementation of the policy, but the risk is that processes, resources and outcomes are unclear, and the funding not used efficiently. So far, the municipalities seems to be following a more process-based strategic approach, with emphasis on local engagement in the identification of buildings for removal, and the use of subsequent plots.

And finally, the strategic approach requires learning as a municipal administration on how to manage housing vacancy across administrative sectors. This should include considerations on how to reduce costs for demolitions, and ways to attract other types of financing. In average, a demolition cost around 20.000 € per building, but with some variations between the municipalities. Ways to keep costs down is to collect several demolitions for "bundled tenders", and to also invite tenders from outside the municipality. Also, private co-finance needs to be generated, which is generally overlooked in the municipalities' efforts, and external private funding should be looked for. Moreover, this should be linked to a stricter prioritization amongst the buildings selected for demolition.

Finally, there is a need to coordinate demolition of vacant houses with other initiatives. Several authors agree that focusing on housing policy alone is not enough to solve the basic problem; housing policy is insufficient in the absence of integrated city-wide urban development strategies (Bontje, 2004; Liebmann and Robischon, 2006; Wiechmann, 2008), and demolition should be seen as just one element in this broader effort.

## Conclusion

Vacant housing represents a large challenge for many municipalities today, across the EU. The case-study from the first Danish state-support for local management of vacant houses shows that there are many challenges related to a strategic approach, which

related to a number of factors, both on a local level and on a national level. It is obvious that managing housing vacancy and removing surplus buildings is a new discipline, and personal as well as institutional competences needs to be developed.

In the peripheral regions, where resources are scarce, there is a large room for and call for bottom-up approaches, and as the research shows, collaboration with the civil society plays a large role in the practical formulation and implementation of the policies for managing vacant housing. There are however a number of ways to improve the strategic approach to this. To make this happen, will however require more than just extra efforts from the municipalities, but needs a broader facilitation and competence-building across the whole building- and planning sector.

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